



Region 8

Community Benefits Agreements (CBA)

Pueblo, Colorado: A Case Study



What is a CBA?

- A Community Benefits Agreement, or a CBA, is a legally enforceable contract, signed by community groups and a project developer, detailing a range of community benefits that the developer agrees to provide as part of a proposed project.

A Few Common Elements of CBAs

- A negotiated agreement between a community and a developer*
- Legally binding
- Tangible and specific benefits
- Accountability – a specified process for implementation



* Alternatively, an agreement may be triggered by an environmental hazard or incident which brings the offending party to a table (Sometime using a mediated process)

Where has it been done?

- Los Angeles – Los Angeles Intl. Airport
- Brooklyn – Atlantic Yards
- San Diego – Ballpark Village
- San Fernando Valley – SunQuest Ind. Park
- San Jose, CA – CIM Multi-use Project
- Pueblo, CO – Comanche Power Plant

Conditions Necessary for a CBA

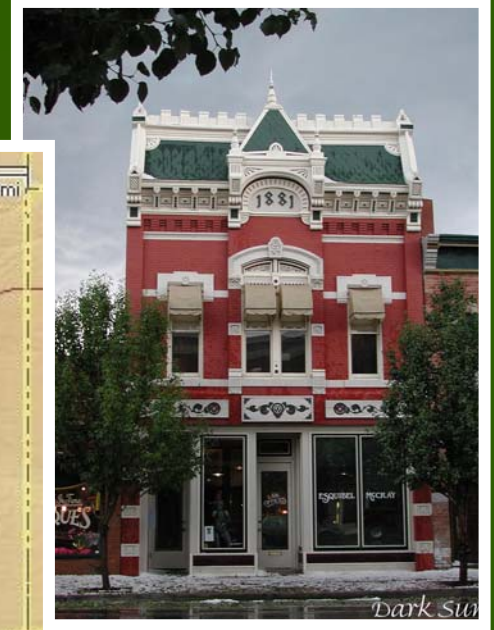
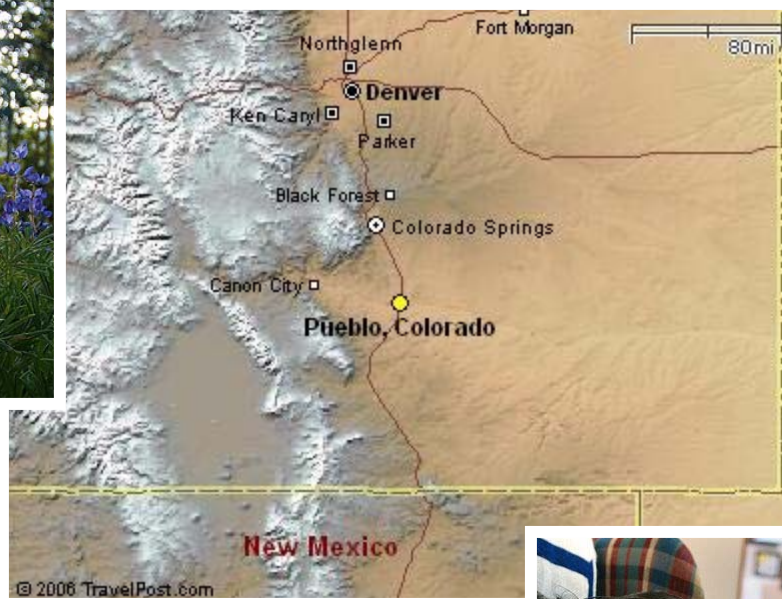
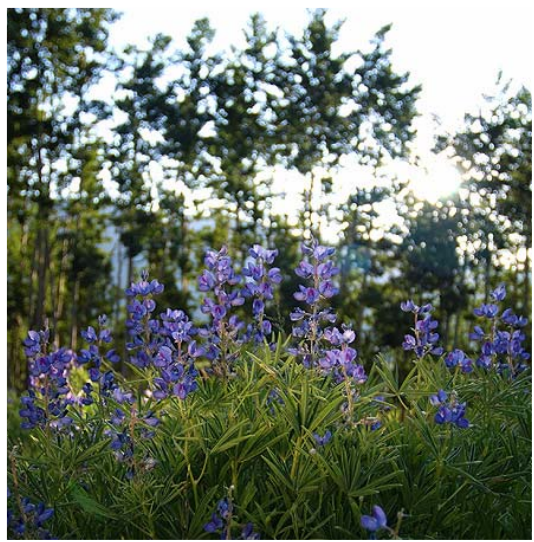
- A Proposed Project
- A Community with a stake in that project
- A Community which is willing to organize to make it's needs clearly known
- A project developer who is willing to negotiate
- Energy, creativity and persistence



The Process

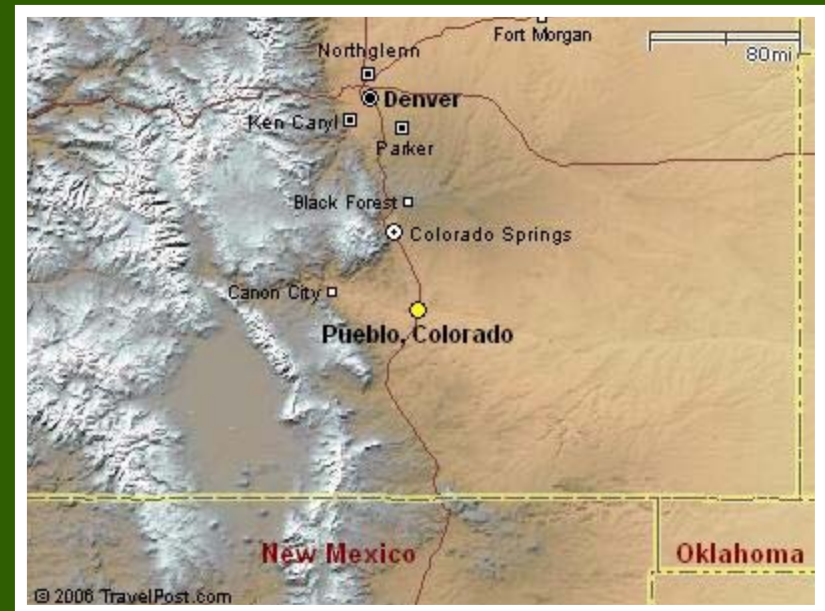
- Create a negotiating table
- Set ground rules
- Negotiate
- Finalize an agreement
- Monitor the implementation

The Pueblo Story



Pueblo: City and County

- Pueblo County contains about 150,000 residents. The City of Pueblo contains about 100,000 of those residents.
- The County is located in Southern Colorado, east of the Rocky Mountains



History and Current Conditions

- In the 1800s the city grew as a producer of steel. Colorado Fuel & Iron once employed more than 8,000 workers. Today it employs about 800 workers
- The population is 50% Latino
- Higher unemployment rate than similar-sized cities in Colorado
- Government is the largest employer
- Slower growth rate than any other Front Range city of its size

Pueblo Business and Industry

Pueblo Chemical Depot



Arkansas Valley
Agriculture



Rocky Mountain Steel Mill



National
Transport.
Test Center

Why Was A CBA Created in Pueblo?

- In 2005, Xcel Energy Proposed a Power Plant Expansion: A 750 MW Coal-fired Plant to be added to 660 MW of existing capacity

Comanche
Power
Plant



The Setting

- Public Utility Commission (PUC) Hearing in Pueblo
- The PUC listened to community testimony
- The community recruited partners
- Xcel and the community partnership agreed to negotiate

The Process Applied

- Creating a negotiating table
- Setting ground rules
- Negotiations
- Finalizing an agreement
- Monitoring the implementation



Motivation

- People/citizens – committed, vigilant, willing to negotiate if Pueblo could be better off with an agreement
- A Company – capable and willing to negotiate if necessary for their interests and goals (*time , \$, location, demand, other power forces, potential community partner...*)

The Pueblo CBA Partners: Local and Statewide

- Better Pueblo
- Citizens for Clean Air
- Renewable Energy Society
- Environment Colorado
- Diocese of Pueblo
- Environmental Defense
- Energy Advocates
- Smart Growth Advocates (Pueblo)
- Xcel Energy
- Sierra Club
- SWEEP
- Western Resource Advocates





The Community's Key Issue: Costs without Benefits!

- Added air emissions with negative health impacts
- Few permanent jobs added
- Power exported to the north
- More water needed to serve the plant
- Another large coal-fired power plant when the two existing ones are dirty and under NOV; better technologies exist; renewable energy not in proposal
- Land impacts
- Disproportionate burden on impacted neighborhoods
- Detrimental to a long term vision of greater sustainability in the region.

Principal Environmental Results of the Negotiation (1)

■ Energy Efficiency/Conservation

Investment in DSM programs during 2006-2013 of up to \$196 million.

■ Renewables

- Xcel agrees to accept all cost-competitive wind resource bids up to 15% penetration based on system peak demand.
- The agreement allows for up to 890 MW of new renewable energy resources by 2013,

■ Sulfur Dioxide

Overall net SO₂ reduction of approximately **11,000 tons** per year from current pollution levels at the Comanche plant including the operation of the new unit.

Principal Environmental Results of the Negotiation (2)

■ Nitrogen Oxides

Overall net NOx reductions of approximately **2,300 tons** per year from current pollution levels, including the operation of the new unit.

■ Mercury

New unit must, at a minimum, meet proposed EPA limit of 20×10^{-6} lb/MW-hour mercury for new sources

■ Diesel Emissions:

\$250,000 to lower particulate pollution from school buses with diesel engines in Pueblo area school districts.

Other Environmental Benefits in the Agreement

- **Support for Pueblo Sustainability Initiative**
- **Imputed Carbon Dioxide Cost**
In evaluating the costs of new resources, all CO2 emitting resources will be assessed an imputed cost of \$9/ton CO2 for bid evaluation purposes.
- **Xcel commits to work with parties broadly to reduce greenhouse gases.**
- **Additional Clean Air Programs**
\$50,000 per year for two years to remove mercury from shredded car bodies melted in Rocky Mountain Steel Mill in Pueblo

Is a CBA Possible in Your Community?

- Questions to Answer:

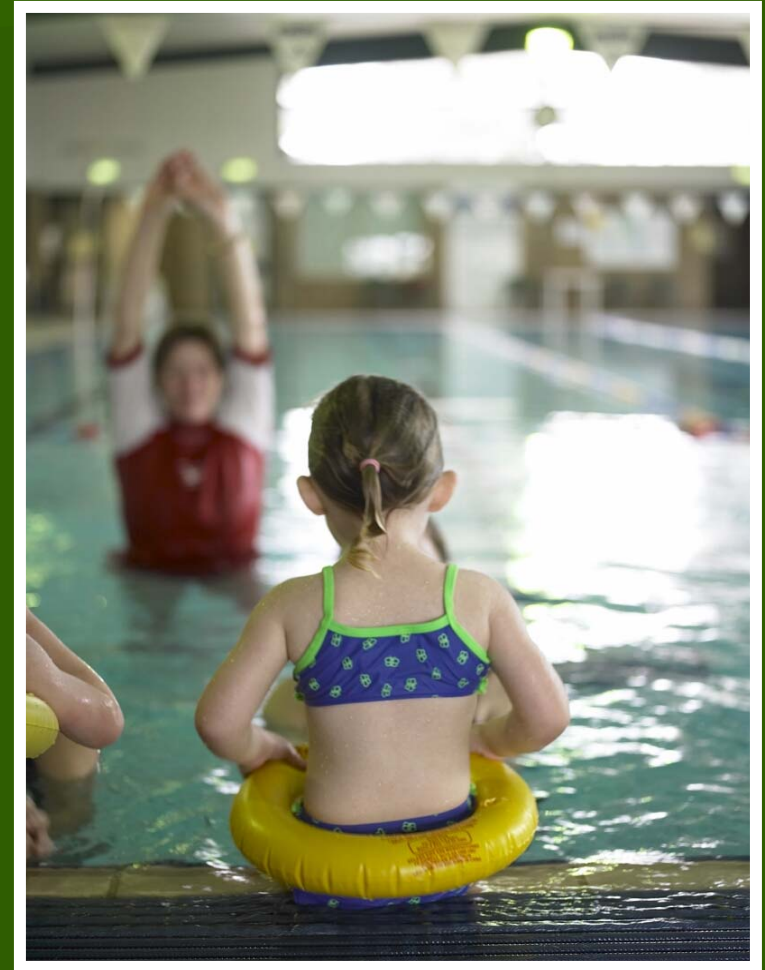
- Is some entity (govt./business/developer) proposing a project about which you have concerns.
- Can you get the proposing party to a table?
- Do you have a vision of where you wish your community to go?

- If the answers to the preceding questions are YES, you have the basis for creating a CBA.



Basic Lessons

- YOU must be willing to do the work
- It has been done. Therefore, it can be done
- The project developer must really want this development *in your community*
- You are making, or have made it difficult, for the developer to achieve its goals without negotiating with you



To be effective...

- Don't re-invent the wheel: Take counsel from those who have done this. (See attached links)
- Know what your true interests are
- Be prepared for the give and take
- Be diligent and persistent - Do your homework!
- Create a process that allows you to measure compliance and accomplishments

Some CBA Resources

- **Atlantic Yards:**
<http://www.atlanticyards.com/html/community/cba.html>
- **LAANE (LAX):** <http://www.laane.org/>
- **Wisconsin's IWF:**
<http://www.wisconsinsfuture.org/workingfamilies/economic/GJLNagreement.htm>
- **Center on Policy Initiatives:**
<http://onlinecpi.live.radicaldesigns.org/index.php>

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